



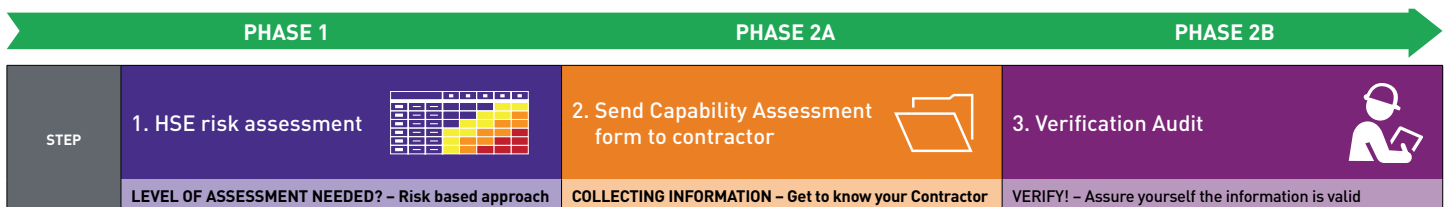
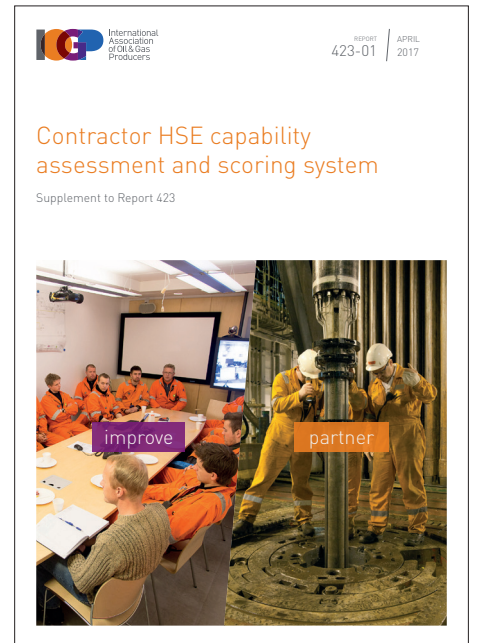
# Capability Assessment

The *Contractor HSE Capability Assessment and scoring system* (IOGP Report 423-01) is a supplement report to IOGP Report 423, *HSE management – guidelines for working together in a contract environment*. It contains additional guidance to Report 423 around a contractor HSE capability assessment questionnaire and scoring system, along with an audit checklist and further guidance to auditors.

You can download a copy of the capability assessment questionnaire from [IOGP's HSE management and contracting page](#). Clients can send this form to contractors for answering the questions, and facilitating a gap-analysis of their integrated management system. Alternatively, Clients can look for the capability assessment response in established contractor qualification systems that are based on 423-01.

IOGP strongly encourages Clients to only use the IOGP Capability Assessment questionnaire without modification. This allows contractors to answer the questionnaire only once, however, contractors must keep it up to date if there are changes to their management system or organization. Multiple clients will then have access to the same information.

If you have a suggestion to improve the questionnaire, please do let us know so that it can be considered in future revisions. Email: [publications@iogp.org](mailto:publications@iogp.org)





**Do you need to do a contractor capability assessment?**

The level of assessment needed is based on the level of risk identified during the initial risk assessment carried out in phase-one Planning. The capability assessment builds the client’s knowledge of the potential contractors and reduces uncertainty before inviting them to bid. It looks at whether the potential contractors have the necessary organization, values, leadership, culture, resources, capability, communication and management system practices to undertake the scope of work in a safe, sustainable and responsible manner.

**Assessing the capability of sub-contractors**

- The duty of care extends to all personnel working for a client through contracted activities and throughout the supply chain.
- The minimum expectation is that every sub-contractor is identified, assessed and actively managed by the Contractor.
- Clients have a role in assuring and verifying the capability of contractors. Contractors have a role in assuring and verifying the capability of sub-contractors.

**RISK BASED CONSIDERATIONS**

- Experience and historical performance of contractor
- Location of the work (client’s vs. contractor’s site)
- Has the client approved the contractor’s HSE-MS before?
- Were previous action items appropriately closed out?
- Has there been a change in the contractor’s HSE-MS?
- Does the contractor have poor HSE performance?
- Have there been any organizational changes?
- Have there been any mergers or acquisitions?
- Contractors venturing into a new work scope, or new region
- New contractor to the existing market

**Contract Holder Principles for SUB-CONTRACTING**



- 1** I know the Contractor’s capability to Subcontract
- 2** I know the Contractor understands responsibility for work through all levels of Subcontracting
- 3** Contractor knows that, with due cause, I can prevent access for any PnS of Subcontractor staff



**Be flexible & pragmatic**

We understand the full IOGP 423 Capability Assessment with all the questions and links and references to IOGP 510 and IOGP 511 OMS guidance is comprehensive.

Some Clients might choose to analyze specific questions in response to the IOGP 510 Management Systems elements' expectations differently. Hence, based on risk management needs and ambitions, they select the weighting (either High or Normal) for a set of questions.



The contractors respond based on what is appropriate to the complexity of contractor's activities and in accordance with IOGP 510 expectations. The contractors may answer "not applicable" to questions not relevant for their activities, however, choosing NA requires justification. This will help the Clients to decide whether to invite them to bid or not, based on the analysis of information provided. The client will also have sufficient knowledge of the contractor's management system to define the mode of contract.

Beyond its role in contract management, the Capability Assessment is a great tool to use to develop/improve your own management system:

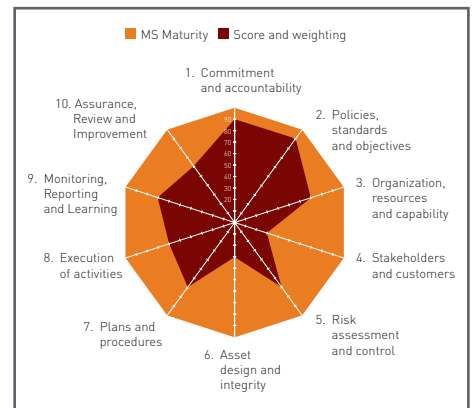
- Focus on Continuous Improvement
- Focus on Risk and Collaboration
- Coach & Train your staff



**Tips for using the IOGP questionnaire**

This questionnaire covers the information required to assess the extent to which HSE and its management are organized by the contractor.

- When completing the questionnaire, the contractor should include all associated contractor activities and relevant support functions not only for a specific contract.
- Responses and any supporting documentation should relate specifically to the contractor's local organization (that is where the contract work will be conducted or managed from).
- The tool to analyze the response may be client-specific or used by several clients (verification protocol). The protocol can be established using Table 2 – Auditor guidance checklist in 423-01.



Score calculation			Contractor's self assessment	
(Select from drop-down list in the yellow coloured cells as relevant)			Date: 05/11/2020	
Item	Description	Weight	Not Applicable	Score/Total
<b>Element 1: Commitment and accountability</b>				
1.1	Commitment and accountability to HSE aspects	Normal	<input type="checkbox"/>	0
<b>Element 2: HSE Policies, standards and objectives</b>				
2.1	HSE Policies and standards	Normal	<input type="checkbox"/>	0
2.2	HSE Objectives	Normal	<input type="checkbox"/>	0
2.3	Policies, Standards and Objectives (PSDO)	Normal	<input type="checkbox"/>	0
<b>Element 3: Organization, resources and capability</b>				
3.1	Organizational structure for HSE management	Normal	<input type="checkbox"/>	0
3.2	Resources and capability	Normal	<input type="checkbox"/>	0
3.3	Competence assurance	Normal	<input type="checkbox"/>	0
3.4	Allocation of internal and external resources	Normal	<input type="checkbox"/>	0
<b>Element 4: Stakeholders and customers</b>				
4.1	Stakeholders and customers	Normal	<input type="checkbox"/>	0
<b>Element 5: Risk management</b>				
5.1	Risk assessment and control	Normal	<input type="checkbox"/>	0
5.2	Health risk factors and impact	Normal	<input type="checkbox"/>	0
5.3	Safety risk factors and impact	Normal	<input type="checkbox"/>	0
5.4	Environmental risk factors and impact	Normal	<input type="checkbox"/>	0
5.5	Security risk factors and impact	Normal	<input type="checkbox"/>	0
5.6	Social responsibility risk factors and impact	Normal	<input type="checkbox"/>	0
<b>Element 6: Asset design and integrity</b>				
6.1	Asset design and integrity	Normal	<input type="checkbox"/>	0
<b>Element 7: Plans and procedures</b>				
7.1	HSE operations manual	Normal	<input type="checkbox"/>	0
7.2	Contingency, emergency, crisis and continuity management	Normal	<input type="checkbox"/>	0
<b>Element 8: Execution of activities</b>				
8.1	Execution and control of activities	Normal	<input type="checkbox"/>	0
<b>Element 9: Monitoring, reporting and learning</b>				
9.1	Monitoring and learning	Normal	<input type="checkbox"/>	0
9.2	Incidents, events and non-compliances	Normal	<input type="checkbox"/>	0
9.3	HSE performance	Normal	<input type="checkbox"/>	0
9.4	HSE audits and incidents investigation and follow-up	Normal	<input type="checkbox"/>	0
9.5	Statutory violation incidents or non-compliance notices	Normal	<input type="checkbox"/>	0
<b>Element 10: Assurance, review and improvement</b>				
10.1	Assurance process, including audits	Normal	<input type="checkbox"/>	0
10.2	Management review and follow up	Normal	<input type="checkbox"/>	0
<b>Section 4: HSE Management - additional features</b>				
01	Certification of your HSE-MS	Normal	<input type="checkbox"/>	0
02	Memberships of associations	Normal	<input type="checkbox"/>	0
03	Additional features of your HSE-MS	Normal	<input type="checkbox"/>	0














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The HSE capability assessments is part of a process that helps guide the client selecting the best Contractor for the job. In below overview the different parts of this project are summarised. For each part the recommended tools are listed and some tips are suggested.

The Capability Assessment “opens the door” for a Contractors to be able to get invited to bid on a contract. In the next phase (Tender and award), a Contractor is “invited in the room” to discuss the ways of working in more detail, including an initial Contract HSE Plan discussion. The IOGP 423 Questionnaire and the Contract HSE Plan Checklist are fully in line with the IOGP510 Management System structure. The HSE Plan Checklist provides more specifics for each Management System element. In the IOGP 510 “Operating Management System” expectations are explained in more detail.



	PHASE 1	PHASE 2A	PHASE 2B
STEP	1. HSE risk assessment 	2. Send Capability Assessment form to contractor 	3. Verification Audit 
WHAT	<b>LEVEL OF ASSESSMENT NEEDED? – Risk based approach</b> Assess risk of contract to determine if a capability assessment is needed	<b>COLLECTING INFORMATION – Get to know your Contractor</b> Contractor respond to questionnaire sent by Client. (Or Client obtains information from service provider) to assess qualify and maturity of Contractor’s system	<b>VERIFY! – Assure yourself the information is valid</b> Client (or service provider) checks at a Contractor site how the system is used/has been implemented, identifying strengths and weaknesses.
TOOLS TO USE	IOGP Risk Assessment Checklist	IOGP 423-01 Questionnaire	IOGP 423-01 Questionnaire including audit checklist IOGP 510 expectations Branch specific questionnaires Scope specific questionnaires (see examples listed on page 2)
TIPS	<ul style="list-style-type: none"> <li> No assessment is needed for all Low risk contracts</li> <li> Clients may even choose to perform Capability Assessments for High Risk Contracts only.</li> <li> Save yourself and Contractors a lot of time and money by not doing unnecessary work!</li> </ul>	<ul style="list-style-type: none"> <li> Use information already available in industry.</li> <li> Simplify the multiple requests for information contractors receive by only asking questions from the IOGP set.</li> <li> Assessing contractors with <b>multiple operating entities such as divisions in several countries</b>, don’t just rely on data from the contractor’s global corporate organization as it might not be appropriate. Obtain information globally, but verify it locally.</li> </ul>	<ul style="list-style-type: none"> <li> Combine the general and scope specific verification in one audit</li> <li> Include client specialist in the audit team</li> <li> Use outcome of other external certification audits (don’t ask the same questions recently asked by others)</li> <li> When a Contractor has too many gaps consider NOT inviting them to tender</li> </ul>